



INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100



U. S. Department of Agriculture Agricultural Marketing Service Poultry Programs Market News Branch and Analysis

Outlook for US Broiler Trade

Ready-to-cook broiler meat produced in the US hit 3.2 billion pounds in August of 2006, which was up 1.9% over 2005. Slaughter numbers dropped to 793.3 million pounds in August and were offset by an increased average live weight of 1.5% to 5.36 pounds on a bird at slaughter, which was the lowest bird weight in 2006. However most light weights typically occur in July and August, due to the effects of heat stress on the birds.

In July and August of 2006, broiler meat production was on target with its 3rd quarter estimate of 9 billion pounds (less than 1% above 2005) and under its 4th quarter estimate less than 1% to slightly under 9 billion pounds, due to the expected slow growth rate. Ending stocks for 3rd and 4th quarters fell to 690 million pounds (-35 million pounds) and 725 million pounds (-25 million pounds) respectively. Forecasts for 2007's 1st and 2nd quarters declined to 725 million pounds each, due to expected slow growth.

US broiler meat exports in August dropped about 21% from 2005 levels to 423 million pounds, however exports in August of 2005 were the fourth largest in record. Third and fourth quarter export forecasts were lowered with third quarter down 40 million pounds to 1.350 billion pounds, 1% over 2005 levels, and fourth quarter down 25 million pounds to 1.425 billion pounds, about 8% above a year ago, respectively based on disappointing July and August exports. In turn, forecasts for the second half of 2007 were reduced 65 million pounds with third quarter projections down 25 million and fourth quarter down 40 million pounds. Source: USDA ERS

Outlook for US Turkey Trade

US turkey meat production between January and August of 2006 was 3% higher when compared to the same period a year ago totaling 3.8 billion pounds. The number of birds slaughtered rose 1% to 23.4 million pounds with an average live weight of 26.93 pounds, up 1.3% from the previous year. Whole turkey prices rose to 79.4 cents per pounds in the third quarter on 8-16 pound birds in the Eastern market, which was about 3 cents higher than the same time a year ago, due to the relatively slow increase in turkey meat production and the low stock levels. The price estimate for the fourth quarter is projected to be 85 cents per pound, which is about 1.5 cents per pound over 2005 levels and eight cents above 2004's fourth quarter, due to forecasts of continued tight supply conditions.

Turkey meat production in July and August was in line with estimates. Estimates for both third and fourth quarter production were left unchanged at 1.4 billion pounds each respectively, which was slightly higher than previously forecast in 2005. Ending stock estimates for the third and fourth quarters of 2006 were reduced, due to the expected small growth. Third quarter ending stocks were reduced to 480 million pounds, down 70 million pounds, while ending stocks for the fourth quarter dropped 25 million pounds to 225 million pounds.

It is predicted that US turkey meat exporters will ship around 534 million pounds of product in 2006, which is about a 6% decrease from 2005 levels. Yet turkey meat exports in August of 2006 reached 55.4 million pounds, which rose nearly 8 percent from the previous year.

Most of the increase is attributed to increased exports to Russia, Hong Kong, Taiwan, and Canada. However estimates for 2006's third and fourth quarters were reduced 10 million pounds each to 140 and 150 million pounds respectively. Forecasts for 2007 estimate turkey meat exports to rise about 7% from a year ago to 575 million pounds.

Source: USDA ERS

US Turkey Meat Exports

	Jan-Dec				Jan-Aug	
	2002	2003	2004	2005	2005	2006
Russia	11,684	10,477	12,548	8,431	4,532	7,088
Taiwan	10,041	10,905	8,175	7,306	5,488	6,003
Hong Kong	30,647	18,710	3,705	4,394	2,319	5,502
Canada	3,187	3,185	4,216	7,756	3,314	1,958
Total	55,559	43,276	28,643	27,887	15,653	20,550
World Total	179,039	191,466	175,437	232,882	149,226	144,130
% of World	31.0%	22.6%	16.3%	12.0%	10.5%	14.3%

Source: USDA FAS

Argentina

Broiler meat exports in 2007 are expected to hit 110,000 tons (excluding 50,000 tons of chicken paws), which is the highest ever, despite the economic crisis and strong devaluation in 2002. The projected rise and expansion of Argentina's exports is attributed to its competitiveness and improved sanitary status as it is now free of Newcastle disease and Avian Influenza (AI). However estimates for 2006 have been lowered, due to AI outbreaks affecting the consumption of major import countries of Argentine product.

Argentina also boasts one of the lowest production costs in the world of roughly US\$770 per ton in 2006, which were higher in comparison to that of 2005 levels with predictions of even higher costs in 2007. Note that 65% of total production costs consist of labor, corn, and soybeans. Broiler production in Argentina is split amongst the provinces of Entre Rios (47%), Buenos Aires (44%), and Santa Fe (5%). About 80% of the country's production at 46 plants are federally inspected and are projected to produce a new record of 1.29 million tons (excluding paws) in 2007.

Source: USDA FAS

2006 Argentine Exports of Fresh Broiler Meat By-Products (tons)

	Whole	Breast	Leg	LQ	Paw	Wing	Trim
Chile	13,253	1,096	840	426	56	25	110
South Africa	4,426	138	433	144	51	1,830	2,477
Germany	463	2,846	127	0	0	68	22
Congo*	1,796	0	0	12	0	0	63
Other	14,421	4,637	1,462	421	21,150	2,914	237
Total	34,359	8,717	2,862	1,003	21,257	4,837	2,909

Note: Whole = Whole Broiler; LQ = Leg Quarter; Trim = Poultry Trimmings; Congo = Democratic Republic of Congo

2006 Argentine Exports of Eggs and By-Products (tons)

	Shell Eggs	Eggs*	Yolk	Albumin
Angola	1,034	290	0	0
Austria	0	185	291	116
Denmark	0	401	87	0
Russia	0	109	135	208
Other	572	349	205	121
Total	1,606	1,334	718	445

Note: Eggs* = Eggs for Industrial Use; Data for first 9 months of 2006. Source: Senasa-DNFA-DTI-Office of Statistics of Foreign Trade

INSPECTED EGG PRODUCTS-**U.S. & CANADA IMPORT/EXPORT TRADE****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending October 21, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	506	363	9,528	14,797
Frozen	0	0	172	59
Dried	0	40	580	687
Total	506	403	10,280	15,543

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending October 21, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	184	173	3,305	5,934
Frozen	4	0	891	562
Dried	0	0	66	371
Total	188	173	4,262	6,867

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending October 21, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Jumbo	0	0	150	163
Extra Large	2,730	2,006	74,571	182,044
Large	2,720	4,304	143,604	314,095
Medium	1,590	870	72,882	102,437
Ungraded	18,780	7,380	186,818	166,210
Misc	0	0	6,975	8,053
Total	25,820	14,560	485,000	773,002

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

October 27, 2006				
CHICKEN WITH SKIN ADDED				
--- PRICES ---		---- VOLUME ----		
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	16.00-20.00	-	160,000	160,000
WTD AVERAGE	18.00			
15-20%				
RANGE	15.50-20.00	10.00-16.00	2,019,000	1,041,600
WTD AVERAGE	17.16	12.99		
15-20%				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

U.S./CANADIAN LIVE POULTRY SLAUGHTERED UNDER INSPECTION

W/E 21-Oct-06 (PRELIMINARY)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,068	1,532	2,600
Last Week	1,008	1,538	2,546
Same week yr ago	1,060	1,515	2,575
To-date/2006	45,819	62,416	108,235
To-date/2005	60,904	59,610	120,514

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	36	3	39
Last Week	90	4	94
Same week yr ago	229	0	229
To-date/2006	6,406	38	6,444
To-date/2005	10,920	60	10,980

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,104	1,535	2,639
Last Week	1,098	1,542	2,640
Same week yr ago	1,289	1,515	2,804
To-date/2006	52,225	62,454	114,679
To-date/2005	71,824	59,670	131,494

Source: USDA/AMS Poultry Programs, Market News Branch

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

October 27, 2006				
CHICKEN WITH SKIN ADDED				
--- PRICES ---		---- VOLUME ----		
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	16.00	17.00-18.00	456,000	54,000
WTD AVERAGE	16.00	17.40		
15-20%				
RANGE	15.50-21.00	12.00-16.00	2,127,000	1,426,000
WTD AVERAGE	17.75	13.95		
20% OR MORE				
RANGE	-	13.00-14.00	160,000	-
WTD AVERAGE		13.50		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 27 OCTOBER 2006.

The market tone on tom drums steady, balance of tom bulk parts steady to barely steady. Demand moderate on tom drums, balance light to moderate. Offerings of tom drums light to adequate, balance of tom bulk parts adequate to ample. The market tone on thigh meat was steady for the light to moderate demand. Offerings short to adequate. The market tone on mechanically separated turkey (MST) was barely steady at best. Trading light to moderate. For domestic: tails 31, fresh wing meat 101, fresh breast trim 112, fresh scapula 111-117, Grade A non basted rib breasts - 8-10 lb. 130, 10-12 lb. 175, 12-16 lb. 190, 16-18 lb. 195, plant grade - 10-12 lb. 170, 12-16 lb. 180-185, 16-18 lb. 180, fresh destrapped tenderloin contract for January-December, 2007 192 cents delivered. For export: fresh -205 MST 18, fresh tom drums 38-39 cents delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, OCTOBER 27, 2006	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME
DRUMSTICKS, TOMS	40.00-40.50		40.17	120	39.61	360
WINGS FULL-CUT - TOMS		R	36.00	40	36.00	40
WINGS, V-TYPE, TOM	48.00		48.00	104	48.00	104
TAILS	31.00-32.00		31.75	160	31.80	200
MECHANICALLY SEPARATED 2/	15.00-17.00		15.55	300	15.73	508
THIGH MEAT - FROZEN		R	97.33	120	97.50	400

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, OCTOBER 26, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	39.00-40.00		39.25	160
WINGS FULL-CUT - TOMS	36.00		36.00	40
WINGS, V-TYPE, TOM				
TAILS	32.00		32.00	40
MECHANICALLY SEPARATED 2/	16.00		16.00	208
THIGH MEAT - FROZEN	97.00-98.00		97.33	120

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, OCTOBER 25, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	40.00		40.00	40
WINGS FULL-CUT - TOMS		F	38.00	104
WINGS, V-TYPE, TOM		W	55.00	156
TAILS		F	29.00	119
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	97.00		97.00	80

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, OCTOBER 24, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		M	39.00	40
WINGS FULL-CUT - TOMS		F	38.00	104
WINGS, V-TYPE, TOM		W	55.00	156
TAILS		F	29.00	119
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	98.00		98.00	160

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, OCTOBER 23, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	39.00		39.00	40
WINGS FULL-CUT - TOMS		F	38.00	104
WINGS, V-TYPE, TOM		W	55.00	156
TAILS		F	29.00	119
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	97.00		97.00	40

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.